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DEBATE IN THE SENATE.

Speech of Mr. Clay, of Ky. On the Sub-Treasury Bill. February 19, 1838.

Mr. CLAY rose and addressed the Senate as follows: I have seen some public service, passed through many troubled times, and often addressed public assemblies, in this Capitol, and elsewhere; but never before have I risen in a deliberate body, under more oppressed feelings, or with a deeper sense of awful responsibility. Never before have I risen to express my opinions upon any public measure, fraught with such tremendous consequences to the welfare and prosperity of the country, and so perilous to the liberties of the people, as I solemnly believe the bill under consideration will be. If you know, sir, what sleepless hours reflection upon it has cost me, if you know with what fervor and singularity I have implored Divine assistance to strengthen and sustain me in my opposition to it, I should have credit with you, at least, for the sincerity of my convictions, if I shall be so unfortunate as not to have your concurrence as to the dangerous character of the measure. And I have thanked my God that he has prolonged my life until the present time, to enable me to exert myself in the service of my country, against a project far transcending in pernicious tendency any that I have ever had occasion to consider. I thank him for the health I am permitted to enjoy; I thank him for the soft and sweet repose which I experienced last night; I thank him for the bright and glorious sun which shines upon us this day.

It is not my purpose, at this time, Mr. President, to go at large into a consideration of the causes which have led to the present most disastrous state of public affairs. That duty was performed by others, and myself, at the extra sessions of Congress. It was then clearly shown that it sprang from the ill advised and unfortunate measures of executive administration. I now will content myself with saying that, on the 4th day of March, 1829, Andrew Jackson, not by the blessing of God, was made President of these United States; that the country was then eminently prosperous, that its currency was as sound and safe as any that a people were ever blessed with—that, throughout the wide extent of this whole Union, it possessed a uniform value—and that exchanges were conducted with such regularity and perfection, that funds could be transmitted from one extremity of the Union to the other, with the least possible risk or loss. In this encouraging condition of the business of the country, it remained for several years, until after the war, wantonly waged against the late Bank of the United States, was completely successful, by the overthrow of that invaluable institution. What our present situation is, it is as needless to describe as it is painful to contemplate. First felt in our great commercial marts, distress and embarrassment have penetrated into the interior, and now pervade almost the entire Union. It has been justly remarked by one of the soundest and most practical writers that I have had occasion to consult, "that all convulsions in the circulation and commerce of every country must originate in the operations of the government, or in the mistaken views and erroneous measures of those possessing the power of influencing credit and circulation—for they are not otherwise susceptible of convulsion, and if left to themselves, they will find their own level, and flow nearly in one uniform stream."

Yes, Mr. President, we all have but too melancholy a consciousness of the unhappy condition of our country. We all too well know, that our noble and gallant ship lies helpless and immovable upon breakers, dismantled, the surge beating over her venerable sides, and the crew threatened with instantaneous destruction. How came she there? Who was the pilot at the helm when she was stranded? The party in power! The pilot was aided by all the science and skill, by all the charts and instruments of such distinguished navigators as Washington, the Adamses, Jefferson, Madison, and Monroe; and yet he did not, or could not, save the public vessel. She was placed in her present miserable condition by his bungling navigation, or by his want of skill and judgment. It is impossible for him to escape from one or the other horn of that dilemma. I leave him at liberty to choose between them.

I shall endeavor, Mr. President, in the course of the address I am about making, to establish certain propositions, which I believe to be incontestable; and, for the sake of perspicuity, I will state them generally to the Senate. I shall contend—1st. That it was the deliberate purpose

and fixed design of the late administration to establish a Government Bank—a Treasury Bank—to be administered and controlled by the Executive department.

2d. That with that view, and to that end, it was its aim and intention to overthrow the whole banking system, as existing in the United States, when that administration came into power, beginning with the Bank of the United States.

3d. That the attack was first confined, from considerations of policy, to the bank of the United States, but that, after its overthrow was accomplished, it was then directed, and has since been continued, against the State Banks.

4th. That the present administration, by its acknowledgments, emanating from the highest and most authentic source, has succeeded to the principles, plans, and policy, of the preceding administration, and stands solemnly pledged to complete and perfect them.

5th. That the bill under consideration is intended to execute the pledge, by establishing upon the ruins of the late Bank of the United States, and the State banks, a Government bank, to be managed and controlled by the Treasury Department, acting under the commands of the President of the United States.

I believe, solemnly believe, the truth of every one of these five propositions. In the support of them, I shall not rely upon any gratuitous surmises or vague conjectures, but upon proofs, clear, positive, undeniable and demonstrative. To establish the first four, I shall adduce evidence of the highest possible authenticity, or facts admitted or undeniable, and fair reasoning founded on them. And as to the last, the measure under consideration, I think the testimony, intrinsic and extrinsic, on which I depend, stamps, beyond all doubt, its true character as a Government bank, and ought to carry to the mind of the Senate the conviction which I entertain, and in which I feel perfectly confident the whole country will share.

1. My first proposition is, that it was the deliberate purpose and fixed design of the late administration to establish a Government Bank—a Treasury Bank—to be administered and controlled by the Executive department. To establish its truth, the first proof which I offer is the following extract from President Jackson's annual message of December, 1829: "The charter of the Bank of the United States expires in 1836, and its stockholders will most probably apply for a renewal of their privileges. In order to avoid the evils resulting from precipitancy, in a measure involving such important principles, and such deep pecuniary interests, I feel that I cannot, in justice to the parties interested, too soon present it to the consideration of the Legislature and the people. Both the constitutionality and the expediency of the law creating this bank, are well questioned by a large portion of our fellow citizens; and it must be admitted by all that it has failed in the great end of establishing a uniform and sound currency."

"Under these circumstances, if such an institution is deemed essential to the fiscal operations of the Government, I submit to the wisdom of the Legislature, whether a national one, founded upon the credit of the government and its revenues, might not be devised, which would avoid all constitutional difficulties, and, at the same time, secure all the advantages to the Government and the country that were expected to result from the present bank."

This was the first open declaration of that implacable war against the late Bank of the United States which was afterwards waged with so much ferocity. It was the sound of the distant bugle, to collect together the dispersed and scattered forces, and prepare for battle. The country saw with surprise the statement that "the constitutionality and expediency of the law creating this bank are well questioned by a large portion of our fellow citizens," when in truth and in fact, it was well known that but few then doubted the constitutionality, and none the expediency of it. And the assertion excited much greater surprise, that "it must be admitted by all that it has failed in the great end of establishing a uniform and sound currency." In this message, too, whilst a doubt is intimated as to the utility of such an institution, President Jackson clearly first discloses his object to establish a national one, founded upon the credit of the Government and its revenues. His language is perfectly plain and unequivocal. Such a bank, founded upon the credit of the Government and its revenues, would secure all the advantages to the Government and the country, he tells us, that were expected to result from the present bank.

In his annual message of the ensuing year, the late President says: "The importance of the principles involved in the inquiry, whether it will be proper to re-charter the Bank of the United States, re-

quires that I should again call the attention of Congress to the subject. Nothing has occurred to lessen, in any degree, the dangers which many of our citizens apprehend from that institution, as at present organized. In the spirit of improvement and compromise which distinguishes our country and its institutions, it becomes us to inquire whether it be not possible to secure the advantages afforded by the present bank, through the agency of a Bank of the United States, so modified in its principles as to obviate constitutional and other objections."

"It is thought practicable to organize such a bank, with the necessary officers, as a branch of the Treasury Department, based on the public and individual deposits, without power to make loans or purchase property, which shall remit the funds of the Government, and the expense of which may be paid, if thought advisable, by allowing its officers to sell bills of exchange, to private individuals, at a moderate premium. Not being a corporate body, having no stockholders, debtors and property, and but few officers, it would not be obnoxious to the constitutional objections which are urged against the present bank; and having no means to operate on the hopes, fears, or interests of large masses of the community, it would be shorn of the influence which makes the bank formidable."

In this message, President Jackson, after again alluding to the imaginary dangers of a Bank of the United States, recurs to his favorite project, and inquires "whether it be not possible to secure the advantages afforded by the present bank, through the agency of a Bank of the United States, so modified in its principles and structure as to obviate the constitutional and other objections." And to dispel all doubts of the timid, and to confirm the wavering, he declares that it is thought practicable to organize such a bank, with the necessary officers, as a branch of the Treasury Department. As a branch of the Treasury Department! The very scheme now under consideration. And to defray the expenses of such an anomalous institution, he suggests that the officers of the Treasury Department may turn bankers and brokers, and sell bills of exchange to private individuals at a moderate premium!

In his annual message of the year 1831, upon this subject, he was brief and somewhat covered in his expressions. But the fixed purpose which he entertained is sufficiently disclosed to the attentive reader. He announces that, "entertaining the opinions heretofore expressed in relation to the Bank of the United States, as at present organized, I felt in my duty in my former messages, frankly to disclose them, in order that the attention of the legislature and the people should be seasonably directed to that important subject, and that it might be considered, and finally disposed of, in a manner best calculated to promote the ends of the constitution, and subserve the public interests." What were the opinions heretofore expressed, we have clearly seen. They were adverse to the Bank of the United States, as at present organized, that is to say, an organization with any independent corporate government; and in favor of a national bank which should be so constituted as to be subject to exclusive executive control.

At the session of 1831, '32, the question of the re-charter of the Bank of the United States came up; and although the attention of Congress and the country had been repeatedly and deliberately before invited to the consideration of it by President Jackson himself, the agitation of it was now declared by him and his partisans to be precipitate and premature. Nevertheless, the country and Congress, conscious of the value of a safe and sound uniform currency, conscious that such a currency had been eminently supplied by the Bank of the United States, and unmoved by all the outcry raised against that admirable institution, the recharter commanded large majorities in both houses of Congress. Fatally for the interests of this country, the stern self-will of General Jackson prompted him to risk every thing upon its overthrow.

On the 10th of July, 1832, the bill was returned with his veto; from which the following extract is submitted for the attentive consideration of the Senate: "A Bank of the United States is, in many respects, convenient for the government and useful to the people. Entertaining this opinion, and deeply impressed with the belief that some of the powers and privileges possessed by the existing bank are unauthorized by the constitution, subversive of the rights of the states, and dangerous to the liberties of the people, I felt it my duty, at an early period of my administration, to call the attention of Congress to the practicability of organizing an institution combining all its advantages, and obviating all these objections. I sincerely regret that, in the act before me, I can perceive none of those modifications

of the bank charter which are necessary, in my opinion, to make it compatible with justice, with sound policy, or with the constitution of our country."

"That a Bank of the United States, competent to all the duties which may be required by government, might be so organized as not to infringe upon our own delegated powers, or the reserved rights of the states, I do not entertain a doubt. Had the Executive been called upon to furnish the project of such an institution, the duty would have been cheerfully performed. In the absence of such a call, it is obviously proper that he should confine himself to pointing out those prominent features in the act presented, which, in his opinion, make it incompatible with the constitution and sound policy."

President Jackson admits, in the citation which has just been made, that a Bank of the United States is, in many respects, convenient for the government; and reminds Congress that he had at an early period of his administration, called its attention to the practicability of so organizing an institution, combining all its advantages, without the defects of the existing bank. It is perfectly manifest that he alludes to his previous recommendations of a Government—a Treasury Bank. In the same message he tells Congress, that if he had been called upon to furnish the project of such an institution, the duty would have been cheerfully performed. Thus it appears that he had not only settled in his mind the general principle, but had adjusted the details of a government bank, to be subjected to Executive control; and Congress is even chided for not calling upon him to present them. The bill now under consideration, beyond all controversy, is the very project which he had in view, and is to consummate the work which he began. I think, Mr. President, that you must now concur with me in considering the first proposition as fully maintained. I pass to the second and third, which, on account of their intimate connexion, I will consider together.

2. That, with the view of establishing a Government Bank, it was the sealed aim and intention of the late administration to overthrow the whole banking system of the United States, as existing in the United States when that administration came into power, beginning with the Bank of the United States and ending with the State Banks.

3. That the attack was first confined, from considerations of policy, to the Bank of the United States; but that, after its overthrow was accomplished, it was then directed, and has since been continued, against the State Banks.

We are not bound to inquire into the motives of President Jackson for desiring to subvert the established monetary and financial system which he found in operation; and yet some examination into those which probably influenced his mind, is not without utility. These are to be found in his peculiar constitution and character. His egotism and vanity prompted him to subject every thing to his will; to change, to remould, and to touch every thing. Hence the proscription which characterized his administration, the universal expulsion from office, at home and abroad, of all who were not devoted to him, and the attempt to render the Executive department of government, to use a favorite expression of his own, a complete "uni." Hence his seizure of the public deposits in the Bank of the United States, and his desire to unite the purse with the sword. Hence his attack upon all the systems of policy which he found in practical operation; on that of internal improvements, and on that of the protection of national industry. He was animated by the same sort of ambition which induced the master mind of the age, Napoleon Bonaparte, to impress his name upon every thing in France. When I was in Paris, the sculptors were busily engaged chiselling out the famous N. so odious to the Bourbon line, which had been conspicuously carved on the palace of the Tuilleries, and on other public edifices and monuments in the proud capital of France. When, Mr. President, shall we see effaced all the traces of the ravages committed by the administration of Andrew Jackson! Society has been uprooted, virtue punished, vice rewarded, and talents and intellectual endowments despised; brutality, vulgarity, and loco-focoism upheld, cherished and countenanced. Ages will roll around before the moral and political ravages which have been committed will, I fear, cease to be discernible. General Jackson's ambition was to make his administration an era in the history of the American Government, and he has accomplished that object of his ambition; but I trust that it will be an era to be shunned as sad and lamentable, and not followed and imitated as supplying sound maxims and principles of administration.

I have heard his hostility to banks ascribed to some collision which he had with one of them, during the late war, &

the city of New Orleans; and it is possible that may have had some influence upon his mind. The immediate cause, more probably, was the refusal of that perverse and unaccommodating gentleman, Nick Biddle, to turn out of the office of President of the New Hampshire branch bank of the United States, at the instance of his excellency Isaac Hill, in the summer of 1829, that giant-like person, Jeremiah Mason—giant in body, and giant in mind. War and strife, endless war and strife, personal or national, foreign or domestic, were the ailment of the late President's existence. War against the bank, war against France, and strife and contention with a countless number of individuals. The wars with Black Hawk and the Seminoles were scarcely a luncheon for his voracious appetite—and he made his exit from public life denouncing war and vengeance against Mexico and the state banks.

My acquaintance with that extraordinary man commenced in this city in the fall of 1815 or 1816. It was short, but highly respectful, and mutually cordial. I beheld in him the gallant and successful general, who, by the glorious victory of New Orleans, had honorably closed the second war of our independence, and I paid him the homage due to that eminent service. A few years after, it became my painful duty to animadvert, in the House of Representatives, with the independence which belongs to the representative character, upon some of his proceedings in the conduct of the Seminole war, which I thought illegal and contrary to the constitution and the law of nations. A non-intercourse between us ensued, which continued until the fall of 1824, when, he being a member of the Senate, an accommodation between us was sought to be brought about by the principal part of the delegation from his own state. For that purpose, we were invited to dine with them at Claxton's boarding house, on Capitol Hill, where my venerable friend from Tennessee (Mr. White) and his colleague on the Spanish commission, were both present.

I retired early from dinner, and was followed to the door by Gen. Jackson and the present Minister of the United States at the Court of Madrid. They pressed me earnestly to take a seat with them in their carriage. My faithful servant and friend, Charles, was standing at the door, waiting for me with my own. I yielded to their urgent politeness, directed Charles to follow with my carriage, and they sat me down at my own door. We afterwards frequently met with mutual respect and cordiality, dined several times together, and reciprocated the hospitality of our respective quarters. This friendly intercourse continued until the election, in the House of Representatives, of a President of the United States came on in February, 1825. I gave the vote which, in the contingency that happened, I told my colleague (Mr. Crittenden) who sits before me, prior to my departure from Kentucky in November, 1824, and told others, that I should give. All intercourse ceased between Gen. Jackson and myself. We have never since, except once accidentally, exchanged salutations, nor met except on occasions when we were performing the last offices towards deceased members of Congress, or other officers of Government. Immediately after my vote, a rancorous war was commenced against me, and all the barking dogs let loose upon me. I shall not trace it during its ten years' bitter continuance. But I thank my God that I stand here, firm and erect, unbent, unbroken, unsubdued, un-awed, ready to denounce the mischievous measures of his administration, and ready to denounce this, its legitimate offspring, the most pernicious of them all.

His administration consisted of a succession of astounding measures, which fell on the public ear like repeated bursts of loud and appalling thunder. Before the reverberations of one peal had ceased, another and another came, louder and louder, and more terrifying. Or rather, it was like a volcanic mountain, emitting frightful eruptions of burning lava. Before one was cold and crusted, before the voices of the inhabitants of buried villages and cities were hushed in eternal silence, another, more desolating, was vomited forth, extending wider and wider the circle of death and destruction.

Mr. President, this is no unnecessary digression. The personal character of such a chief as I have been describing, his passions, his propensities, the character of his mind, should be all thoroughly studied, to comprehend clearly his measures and his administration. But I will now proceed to more direct and strict proofs of my second and third propositions. That he was resolved to break down the bank of the United States, is proven by the same citations from his messages which I have made to exhibit his purpose to establish a Treasury bank; is proven by his veto message, and by the fact that he did destroy it. The war against all

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